ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

8120.13

9/17/01

SUBJ: INTERNATIONAL COOPERATIVE SUPPLIER SURVEILLANCE PROGRAM (ICSSP) PROCEDURES

1. PURPOSE.

a. This order provides information on the International Cooperative Supplier Surveillance Program (ICSSP), and the procedures used by participating civil aviation authorities (CAA), including the Federal Aviation Administration (FAA), in carrying out their respective responsibilities under the program.

b. This order is intended to address the subject specified. The use of other FAA directive and guidance materials in conjunction with this order is necessary.

2. DISTRIBUTION. All Aircraft Certification Service directorates, all manufacturing inspection district offices, all manufacturing inspection satellite offices, all certificate management offices, all certificate management units, the Aircraft Certification Branch at the FAA Academy, and the Brussels Aircraft Certification Office.

3. AUTHORITY TO CHANGE THIS ORDER. The issuance, revision, or cancellation of the material in this order is the responsibility of the Aircraft Certification Service, Production and Airworthiness Division (AIR–200). This division will accomplish all required changes to carry out the FAA's responsibility to provide original and recurrent airworthiness certifications and related approvals for eligible aeronautical products.

4. BACKGROUND.

a. In January 1999, a prototype of the ICSSP was introduced in one Joint Aviation Authorities (JAA) country. The original intent of the ICSSP was to reduce duplication of effort and to maximize the FAA's reliance on other CAAs in countries with whom the United States has a Bilateral Airworthiness Agreement (BAA) or Bilateral Aviation Safety Agreement (BASA) with Implementation Procedures for Airworthiness (IPA). Initially, surveillance management plans were developed between the authorities to permit a CAA to use and apply Aircraft Certification System Evaluation Program (ACSEP) criteria on behalf of the FAA while conducting evaluations at FAA production approval holder (PAH) suppliers in CAA countries. These suppliers are also approval holders in their respective countries, and subject to review by their CAA. This reduces the resource impact on the FAA without increasing the CAA's workload.

b. In February 1999, the Director of the Aircraft Certification Service (AIR) announced that the primary method of surveillance for both domestic and international priority parts suppliers would shift from full ACSEP evaluations to FAA principal inspector (PI) audits. The FAA PI audit is a more focused surveillance process and requires the use of PAH purchase order data and special emphasis item information that the CAA would evaluate during the audit.

c. The ICSSP currently consists of a CAA conducting audits at its approval holders' facilities or at other facilities the CAA may agree to audit, using its methodology, and recording the results on its surveillance forms and documents. To ensure the FAA's surveillance responsibilities are met, purchase order and special emphasis item information provided by the FAA PI will complement these audits. Upon completion of the audit, the CAA will provide a copy of its documentation to the FAA directorate responsible for the PAH using that supplier. This documentation is expected to be detailed enough to provide information for any FAA follow-up corrective action, if required.

d. Countries with which the United States has a BAA or BASA may be eligible for participation in the ICSSP. However, the FAA's priority for ICSSP participants is those countries with the greatest number of suppliers to U.S. PAHs and for which the greatest potential for system compatibility exists. The development of any ICSSP surveillance management plan with another CAA is at the discretion of AIR. The ICSSP is implemented with other CAAs only after an FAA assessment to ensure equivalence and compatibility between the FAA's oversight system for U.S. PAHs and the candidate CAA's surveillance procedures.

5. DEVIATIONS. Adherence to the procedures in this order is necessary for uniform administration of this directive material. Any deviations from this guidance material must be coordinated and approved by AIR–200. If a deviation becomes necessary, the FAA employee involved should ensure the deviations are substantiated, documented, and concurred with by the appropriate supervisor. The deviation must be submitted to AIR–200 for review and approval. The limits of Federal protection for FAA employees are defined by Title 28 United States Code § 2679.

6. DISCUSSION. The procedures and responsibilities of the respective aviation authorities described in this order will be stated in a surveillance management plan agreed to by the FAA and the CAA. Appendix 1 provides a sample of such a management plan. The following scheduling and timing procedures will be used in administering the ICSSP.

a. Each year, the accountable FAA directorate will be responsible for the development of an international audit schedule. Each FAA directorate will determine, schedule, and maintain the interval of audit activity. A coordination committee composed of a representative from each Manufacturing Inspection Office (MIO) will confer yearly to avoid duplication of effort, coordinate resources, and identify a lead office to maintain the audit schedule. The initial audit schedule should be completed by July 1 of each year, and may be prepared when the ACSEP coordinators meet to establish the yearly ACSEP schedule. The audit schedule should include the following for each supplier to be audited.

(1) The responsible FAA directorate.

(2) Supplier's full name and complete address.

(3) Product line produced by the supplier.

(4) PAH project number.

(5) Name and address of the PAH primarily associated with the supplier.

(6) Name, telephone number, and fax number of the FAA PI.

b. Using the lists of approval holders provided by each authority, the coordination committee will prepare a list of suppliers selected for audits. The completed lists (prepared by country) will be forwarded through AIR–200 to participating bilateral partner CAAs to identify the FAA's needs. During the first year of participation with each CAA, AIR–200 will act as the liaison and provide the necessary information required for the CAA to perform the audit. During subsequent years, each FAA directorate (instead of AIR–200) will interact directly with participating CAAs. In addition, AIR–200 and/or the responsible FAA directorate will coordinate with the CAA regarding any technical issues required to facilitate the surveillance management plan; for example, familiarization with FAA audit processes, information sharing, and program updates.

c. In accordance with the surveillance management plan, each FAA directorate may also select suppliers for audit that do not hold an approval granted by its local CAA. If the participating CAA does not agree to conduct such an audit for the FAA, the completion and documentation of these audits will remain the responsibility of the FAA directorate that identified the need for the audit.

d. A CAA must send its completed audit report to the responsible FAA directorate within 60 days of audit completion. The FAA directorate will forward the report to the responsible FAA PI. Because a CAA may conduct an audit using a segmented approach that results in multiple visits to an approval holder each year, the audit and its associated report may not be completed until the latter part of each fiscal year, when the CAA has completed all segments of the entire audit. However, as defined in each surveillance management plan, the CAA will immediately report to the responsible FAA directorate any adverse observations or potential regulatory violations observed during a supplier audit to permit the FAA to determine if compliance and enforcement program activity should be pursued with the PAH.

7. THE AUDIT.

a. Timely and thorough communication between the FAA PI and the CAA who will conduct the audit is critical to the success of the ICSSP. Communication must take place before the audit occurs so the FAA PI can ensure the CAA is aware of any purchase order information or special emphasis items that the CAA should examine closely during its audit.

b. At least 4 weeks before any scheduled audit, the FAA PI is responsible for forwarding purchase order information or special emphasis items that the CAA should examine.

c. The participating CAA will conduct its normally scheduled audits of its approval holders (who are suppliers to U.S. PAHs) to ensure compliance with its own regulatory requirements; that is, for current ICSSP participants, Joint Aviation Requirements (JAR)–21. The CAA may also agree to audit other

companies on behalf of the FAA that do not hold an approval issued by the CAA. In either case, the audit will include special emphasis items and PAH purchase order requirements provided by the PAH's FAA PI.

d. The CAA must forward the audit results to the responsible FAA directorate within 60 days of completion of all of the audit elements; the FAA directorate then forwards the audit results to the FAA PI. (As with schedule preparation, during the first year of participation with each CAA, AIR–200 will act as the liaison, acknowledging receipt of and immediately forwarding any reports to the FAA directorate and the FAA PI. In subsequent years, the CAA will send reports to the accountable FAA directorate.) When the FAA directorate contact receives the audit results, the contact will send a message acknowledging receipt to the CAA. Communications between the FAA directorate or the FAA PI and the CAA may be accomplished via mail, fax, or e-mail.

e. If the CAA identifies an issue that it deems safety-related, the CAA will immediately notify the responsible FAA directorate and provide the objective evidence used to determine the safety-related issue. It should be noted that any objective evidence provided by the CAA should not be used as the sole basis for enforcement action against the PAH, in accordance with FAA Order 2150.3, Compliance and Enforcement Program. The FAA PI should place increased emphasis on those issues reported by the CAA that concern safety, and on any observed regulatory violations. If enforcement action against the PAH is required, the FAA PI will conduct further investigations to validate the objective evidence provided by the CAA. The FAA may ask the CAA to provide additional information and assistance.

f. If there are any potential safety issues contained in the CAA's report, the FAA PI will prepare a formal letter using the example contained in appendix 2. The formal letter in appendix 2 will be used to address any issues with the PAH, including previously reported safety-related issues. The PAH can either address the issues identified in that letter or expect closer FAA scrutiny at the supplier in the form of an FAA audit. Because of privacy concerns associated with CAAs and their relationships with their approval holders, THE FAA PI MUST NOT FORWARD THE CAA'S ACTUAL REPORT TO THE U.S. PAH. Any areas of concern that can be communicated to the U.S. PAH must be addressed without delivery of the reports.

g. If there are no safety issues identified in the CAA's audit results, the FAA PI may close the file on this supplier audit. All associated records must be maintained in accordance with FAA recordkeeping requirements.

h. When the CAA identifies concerns about any elements of the audit that pertain to the PAH, the FAA PI—

(1) Must give special attention to commercially sensitive information.

NOTE: For example, when a supplier provides materials, parts, or appliances to more than one PAH, that supplier's issues should only be disclosed to those PAHs affected by the audit. No information that is potentially damaging to another PAH should be disclosed. BASA implementation procedures also commit the FAA to protect the release of any proprietary data. Proprietary data cannot be

copied, released, or shown to anyone other than an FAA employee without the written consent of the owner of the data unless an official investigation is underway.

(2) Must forward the formal letter to the appropriate PAH.

8. CORRECTIVE ACTION SEQUENCE.

a. At this point, two simultaneous series of events will take place: (1) the supplier's response to the CAA for any issues raised during the CAA's audit that are related to its approval (if applicable), and (2) the PAH's investigation of its supplier based on the issues identified in the FAA PI's letter to the PAH.

b. To adequately address the issues raised in the FAA PI's letter, the PAH should conduct a thorough investigation of the supplier in accordance with its internal supplier control procedures. Based on the PAH's investigation of the supplier's issues, it will then respond to the FAA PI's formal letter.

c. In the event that subsequent surveillance activity is required at the supplier to ensure implementation of corrective action by the PAH, the FAA may request that the CAA conduct such surveillance during one of its follow-up visits. When the FAA requests follow-up surveillance, the FAA PI should ensure the CAA acknowledges in writing, which includes by fax or by e-mail, that corrective action has taken place at the supplier. The FAA PI may then close out his or her file on the corrective action activity in accordance with standard procedures.

d. It should be noted that, as stated in each surveillance management plan, the FAA reserves the right to coordinate and conduct any additional special audits, certificate management, designee management, service difficulty investigations, or any other functions necessary to fulfill its statutory responsibilities. In any of these events, normal notification procedures should be followed and the appropriate CAA should be invited to attend.

9. CONCLUSION. This order has been coordinated through the International Airworthiness Programs Staff (AIR–4). If there are any questions, please contact a member of AIR–200 at 202–267–8361.

10. INFORMATION CURRENCY. Any deficiencies found, clarifications needed, or improvements to be suggested regarding the content of this order should be forwarded to the Aircraft Certification Service, Automated Systems Branch, AIR–520, Attention: Directives Management Officer, for consideration. FAA Form 1320–19, Directive Feedback Information, is located on the last page of this order for the commenter's convenience. If a response is urgently needed, contact AIR–200 at 202–267–8361, but also use Form 1320–19 as a follow-up to the conversation.

/s/

Frank P. Paskiewicz
Manager, Production and
Airworthiness Division, AIR–200

APPENDIX 1. SAMPLE SURVEILLANCE MANAGEMENT PLAN

PRIORITY PARTS SUPPLIER AUDITS IN [PARTICIPATING COUNTRY]

In keeping with the spirit and intent of the bilateral agreement between the United States and [insert name of participating country], the following management plan will be used by the [insert name of civil aviation authority (CAA)] in implementing the International Cooperative Supplier Surveillance Program (ICSSP). The ICSSP will be used to evaluate a Federal Aviation Administration (FAA) production approval holder's (PAH) control of its priority parts suppliers, which are located in [participating country], and who hold JAR–21 production organization approval (POA). The ICSSP may also be used to audit suppliers that do not hold a local approval, provided the [CAA] agrees to conduct such audits. The audits will be conducted using the [CAA]'s normal surveillance procedures.

In carrying out this management plan, the [CAA] may use any [CAA] offices to function on behalf of the [CAA], where applicable. Similarly, the Aircraft Certification Service in this context is the FAA, and will use various FAA offices where applicable.

The FAA and [CAA] will keep each other informed of any changes in their respective organizations, including organizational and policy/procedural changes, that may impact any of the procedures outlined in this management plan.

This management plan covers procedures for manufacturing quality assurance, and is divided into the following major sections:

I. General Process

II. FAA Process

III. [CAA] Process

Appendix 1 to Surveillance Management Plan

APPENDIX 1. SAMPLE SURVEILLANCE MANAGEMENT PLAN (CONTINUED)

I. General Process

(a) Documentation. Records or summary minutes of any meetings concerning implementation of this plan prepared by one authority should be furnished to the other authority.

(b) Implementation.

(i) Work under this management plan and any changes may be specified in appendixes, which will become part of this plan. As work progresses and after mutual consultations, additional tasks may be included under this plan. The additional tasks will be described in separate appendixes to this plan.

(ii) Each appendix will be numbered sequentially and will contain a description of tasks to be performed by the [CAA] for the FAA.

II. FAA Process

(a) Responsibilities when requesting surveillance.

(i) The FAA will provide the [CAA] with a specific list of organizations, including their addresses, to be audited in [participating country]. The FAA will provide elements of appropriate purchase orders or special emphasis items and any other information to the [CAA] as necessary. The FAA, on a limited basis, may participate in the audits in areas deemed necessary to fulfill the FAA's certificate management responsibility.

(ii) The FAA reserves the right to conduct any additional special audits, certificate management, designee management, service difficulty investigations, or any other functions necessary to fulfill its statutory responsibilities.

(iii) As necessary, the FAA will familiarize [CAA] inspectors who are new to this program with the audit systems the FAA uses; part 21 of Title 14, Code of Federal Regulations, Certification Procedures for Products and Parts; and the FAA's certificate management methods, as these subjects pertain to supplier surveillance.

(iv) The FAA, on a limited basis, will periodically observe [CAA]-led audits to ensure consistency with U.S. processes and procedures, and to ensure proper recording of audit results. During the first year of implementation, the Production and Airworthiness Division (AIR–200) must notify [CAA] at least 60 days in advance of any audits they intend to observe. In subsequent years, notification will be the responsibility of the accountable FAA directorate.

APPENDIX 1. SAMPLE SURVEILLANCE MANAGEMENT PLAN (CONTINUED)

(v) The FAA will arrange information-sharing sessions and provide program updates to the [CAA] to ensure the CAA's audits are consistent with audits performed in the United States, and satisfy U.S. data collection requirements.

(vi) The FAA will develop a method of communication that facilitates communication between FAA principal inspectors (PI) and their respective [CAA] inspectors in [participating country].

(vii) The FAA will acknowledge receipt of the [CAA]'s audit results.

(viii) In accordance with FAA Order 2150.3, Compliance and Enforcement Program, the FAA maintains responsibility for all compliance and enforcement activity that may become necessary as a result of the [CAA]'s audits.

(b) Responsibilities when responding to surveillance requests.

(To be developed in accordance with specific participating country negotiations)

III. [CAA] Process

(a) Responsibilities.

(i) The [CAA] will provide an electronic and hard copy directory of its approval holders, from which the FAA will prepare its requested audit list.

(ii) The [CAA] will conduct regularly scheduled audits of priority parts suppliers (located in [participating country] and who may hold a [CAA] approval, for example, JAR–21 POA) to U.S. PAHs as requested by the FAA. These audits will be conducted in accordance with the [CAA]'s procedures and requirements, augmented with the appropriate PAH purchase order requirements and special emphasis items.

(iii) The [CAA] will prepare its audit report and supplemental work documents in English for recording the results of the aforementioned audits. Dissemination of these results to the appropriate FAA directorate will be in accordance with Section III, (b), Reporting.

(iv) The [CAA] will monitor implementation of any corrective actions at the supplier to ensure continued compliance.

(v) As necessary, the [CAA] will familiarize the FAA on the audit systems it uses.

(vi) The [CAA] will provide a copy of its evaluation plan to the responsible FAA office for inclusion in the PAH's project folder.

APPENDIX 1. SAMPLE SURVEILLANCE MANAGEMENT PLAN (CONTINUED)

(b) Reporting.

(i) The [CAA] will prepare reports for all audits conducted using its audit form and supplemental work documents. The required reports will be completed within 60 days after the completion of the audit. [Add provisions relevant to the frequency of the CAA's audit program; for example, "The audits will be conducted using a segmented approach that coincides with the CAA's normal surveillance activity during a 12- to 24-month period."]

(ii) The [CAA] will immediately report any adverse observations or potential regulatory violations observed during a supplier audit to permit the FAA to determine if compliance and enforcement program activity is necessary. The [CAA] will notify the FAA of any finding, issue, or problem that is not directly related to the supplier, but that could potentially affect the integrity of the supplier-PAH relationship identified during other [CAA] surveillance.

(iii) The [CAA] will provide additional information, as necessary, to assist the FAA in investigating adverse conditions or potential regulatory violations observed at the supplier facility.

(iv) The [CAA] will notify the FAA of any suspension or revocation action taken at its approval holder [insert title, for example, any JAR–21 POA], who is also a supplier to a U.S. PAH, so the FAA can assume full surveillance responsibility.

(v) From [insert date of plan implementation] to [insert date 1 year after date of plan implementation], reports will be sent to:

Federal Aviation Administration
AIR–230, Room 815
800 Independence Avenue SW.
Washington, DC 20591

(vi) After [insert date 1 year after date of plan implementation], reports will be sent to the responsible FAA directorate.

Central Region
ACE–180
Small Airplane Directorate
DOT Building
901 Locust Street, Room 301
Kansas City, MO 64106–2641

New England Region
ANE–180
Engine and Propeller Directorate
12 New England Executive Park
Burlington, MA 01803–5213

APPENDIX 1. SAMPLE SURVEILLANCE MANAGEMENT PLAN (CONTINUED)

Northwest Mountain Region
ANM–108
Transport Airplane Directorate
1601 Lind Avenue SW.
Renton, WA 98055–4056

Southwest Region
ASW–180
Rotorcraft Directorate
2601 Meacham Boulevard
Fort Worth, TX 76137–4298

APPENDIX 1. SAMPLE SURVEILLANCE MANAGEMENT PLAN (CONTINUED)

APPENDIX 1 TO SURVEILLANCE MANAGEMENT PLAN

FAA/CAA POINTS OF CONTACT

(a) The designated offices for the coordination and management of this plan are:

(i) For the FAA
Manager
Production and Airworthiness Division
AIR–200
800 Independence Avenue SW.
Washington, DC 20591
United States
Telephone: 202–267–8361
Fax: 202–267–5580

(ii) For the [CAA]
Name
Title
Department
Authority
Address
City
Country
Telephone number
Fax number

(b) The project officers will generally manage cooperative activities under this plan. The project officers may delegate authority to authorized program personnel, as appropriate, to participate in the work program.

APPENDIX 2. SAMPLE FORMAL LETTER

U.S. Department
of Transportation
**Federal Aviation
Administration**

800 Independence Ave., S.W.
Washington, D.C. 20591

[Date]

[Name]
[Title]
[Company]
[Address]
[City, State ZIP]

Dear [Name]:

On [date], representatives of the [civil aviation authority (CAA)] of [participating country] visited the supplier indicated below to conduct an audit under the Federal Aviation Administration's (FAA) International Cooperative Supplier Surveillance Program (ICSSP). The FAA has implemented the ICSSP with the [CAA] to evaluate production approval holder (PAH) control of priority parts suppliers, which are located in [participating country], and who hold Joint Aviation Requirements (JAR)–21 production organization approval (POA).

The name and address of the supplier visited is:

[Company Name]
[Address]
[City, Postal Code]
[Country]
Producer of:

The audit included a review of flow-down of certain purchase order requirements, and special emphasis items, which I identified via correspondence. During the audit, the [CAA] identified findings in the following areas:

[Enter a description of problems identified by the participating authority]

Please contact this supplier to discuss the issues raised by the [CAA] during the audit and to determine what corrective action is necessary on your part to ensure continued use of this supplier. Respond to me with a description of and an implementation plan for the corrective action that you will require of this supplier. Please note that the FAA or [CAA] will monitor any corrective action you implement during follow-up visits to this facility.

APPENDIX 2. SAMPLE FORMAL LETTER (CONTINUED)

Thank you for your attention to the issues described above. I look forward to your timely response.

Sincerely,

John Smith
Principal Inspector

U.S. Department
of Transportation
Federal Aviation Administration

Directive Feedback Information

Please submit any written comments or recommendations for improving this directive, or suggest new items or subjects to be added to it. Also, if you find an error, please tell us about it.

Subject: Order _____

To: Directive Management Officer, AIR–520

(Please check all appropriate line items)

___An error (procedural or typographical has been noted in paragraph _____ on page _____.

___Recommend paragraph _____ on page _____ be changed as follows:
(attach separate sheet if necessary)

___In a future change to this directive, please include coverage on the following subject
(briefly describe what you want added):

___Other comments:

___I would like to discuss the above. Please contact me.

Submitted by: _____ Date: _____

FTS Telephone Number: _____ Routing Symbol: _____

FAA Form 1320–19 (8–89)